

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 00776 01 OF 02 220838Z

14

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 IO-14 NEA-11 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10

SS-20 STR-08 CEA-02 L-03 H-03 PA-04 USIA-15 PRS-01

DRC-01 /180 W

----- 044834

P 220710Z JAN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 509

INFO AMEMBASSY JAKARTA PRIORITY

LIMITED OFFICIAL USE SECTION 1 OF 2 MANILA 0776

USADB

E.O. 11652: ADS, DECLAS 4/30/74

TAGS: EAID, EFIN, ID

SUBJECT: PROPOSED ADB TECHNICAL ASSISTANCE TO INDONESIA
FOR SURABAYA-MALANG ROAD DEVELOPMENT STUDY

FOR NAC AGENCIES

SUMMARY: ADB MANAGEMENT PROPOSES \$310,000 EQUIVALENT
TECHNICAL ASSISTANCE (TA) GRANT TO GOVT OF REPUBLIC OF
INDONESIA TO FINANCE FOREX COST OF FEASIBILITY STUDY
FOR DEVELOPMENT OF SURABAYA-MALANG ROAD IN EAST JAVA
AND IDENTIFICATION OF WORKS REQUIRED ON NUMBER OF
COLLECTOR ROADS RELATED TO THIS MAIN TRUNK ROAD. USADB
RECOMMENDS FAVORABLE NAC ACTION.

1. ADB DOC R7-74 WITH ATTACHMENTS DESCRIBING PROPOSED
GRANT POUCHED ADDRESSEES JAN 17. BOARD CONSIDERATION
SCHEDULED FEB 5.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 00776 01 OF 02 220838Z

2. ADB MANAGEMENT PROPOSING \$310,000 TA GRANT TO GOVT OF REPUBLIC OF INDONESIA. PROCEEDS WILL FINANCE FOREX COST OF STUDY TO DETERMINE FEASIBILITY OF IMPROVING ROAD TRANSPORT CONDITIONS ON SURABAYA-MALANG ROAD AND ITS AREA OF INFLUENCE, IN ORDER TO MEET URGENT TRAFFIC NEEDS, AND TO DETERMINE FUTURE ROLE OF SURABAYA-MALANG RAILWAY LINE. STUDY IS ALSO INTENDED TO IDENTIFY AND SEEK TO JUSTIFY ON ECONOMIC GROUNDS DESIRABLE UPGRADING WORKS ON NUMBER OF COLLECTOR ROADS RELATED TO MAIN TRUNK ROAD. STUDY WILL FORM BASIS FOR GOVT TO SEEK POSSIBLE LOAN FROM BANK FOR PROJECT.

3. JAVA HAS EXTENSIVE BUT OUTDATED RAILWAY AND HIGHWAY NETWORK. CHARACTERISTIC OF ROAD SYSTEM IS VERY LOW LOAD-CARRYING CAPACITY OF PAVEMENT AND BRIDGES. LOW STANDARDS AND LACK OF MAINTENANCE DURING 1960S HAVE RESULTED IN SERIOUS DETERIORATION OF MUCH OF ROAD NETWORK. SITUATION AGGRAVATED BY CONSIDERABLE INCREASE IN NUMBER OF HEAVY TRUCKS AND BUSES IN RECENT YEARS, WHICH NECESSITATES URGENT IMPROVEMENT OF STRUCTURALLY INADEQUATE ROADS. IN 1970 GOVT RESUMED MAINTENANCE AND INITIATED REHABILITATION OF ROAD NETWORK. IN VIEW INDONESIA'S LIMITED CAPITAL RESOURCES, PRESENT GOVT POLICY IS TO CONCENTRATE ON IMPROVEMENT OF NATIONAL AND PROVINCIAL NETWORK AND LIMIT CONSTRUCTION OF NEW STANDARD HIGHWAYS TO VICINITY OF IMPORTANT URBAN CENTERS WHERE IMPROVEMENT OF EXISTING FACILITIES ALONE CANNOT MEET TRAFFIC REQUIREMENTS. (FOR CURRENT FISCAL YEAR, ABOUT 15 PERCENT OF GOVT'S TOTAL DEVELOPMENT BUDGET IS EARMARKED FOR ROAD REHABILITATION AND CONSTRUCTION.)

4. CONSULTANT SERVICES PROVIDED DURING 1968/1970 UNDER UNDP/IBRD AUSPICES FOR DEVELOPMENT OF ROADS IN INDONESIA IDENTIFIED SURABAYA-MALANG ROAD AS ONE OF FOUR PRIORITY ROAD PROJECTS. ROAD WAS ALSO CONSIDERED PRIORITY PROJECT BY SOUTHEAST ASIAN REGIONAL TRANSPORT SURVEY. PROJECT ROAD IS LOCATED IN EAST JAVA AND CONNECTS TWO MOST IMPORTANT CENTERS OF PROVINCE. EXISTING ROAD IS ABOUT 90 KM LONG, CARRIES MAJOR TRUNK ROAD TRAFFIC IN PROVINCE AND IS MAIN ARTERY ENTERING PROVINCIAL CAPITAL OF SURBAYA. TWO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 00776 01 OF 02 220838Z

IMPORTANT HIGHWAY SECTIONS OF TRANS JAVA HIGHWAY SYSTEM, AS WELL AS LINK TO SURBAYA AIRPORT, CONNECT WITH ROAD. PROJECT ROAD ALSO SERVES AS MAIN COLLECTOR FOR TRAFFIC TO AND FROM BALI IN EASTERN PART OF JAVA ANF FOR TRAFFIC TO AND FROM WESTERN PART OF PROVINCE AND REST OF JAVA.

5. DENSE DEVELOPMENT OF LIGHT INDUSTRIES, COMMERCIAL

ENTERPRISES, GOVT BUILDINGS AND HOUSING ALONG ROAD
NEAR SURABAYA HAS LED TO INCREASED LOCAL TRAFFIC. ROAD
TRAFFIC TO PORT OF SURABAYA, WHICH IS SECOND MOST
IMPORTANT PORT IN INDONESIA AND IS AT PRESENT BEING
REHABILITATED UNDER BANK ASSISTANCE, PASSES THROUGH
CITY'S NARROW STREET SYSTEM. PROPOSED STUDY WILL
INVESTIGATE NEED FOR BYPASS ROAD TO PORT.) VOLUME OF
FOREIGN AND DOMESTIC IMPORTS AND EXPORTS AT SURABAYA
IN 1980 PROJECTED TO MORE THAN TRIPLE 1971 VOLUME, WITH
SUBSTANTIAL PART OF CARGO EXPECTED TO MOVE VIA SURABAYA-
MALANG ROAD. IN SOUTH, PROJECT ROAD TERMINATES AT MALANG,
IMPORTANT MARKET IN CENTER OF INTENSIVELY CULTIVATED
AGRICULTURAL REGION. MALANG HAS CONGESTED APPROACH AND
CONNECTION TO EXISTING URBAN STREET SYSTEM NEEDS
IMPROVEMENT. PROJECT ROAD WAS RECENTLY REPAIRED UNDER
IDA-FINANCED ROAD REHABILITATION PROGRAM AND SURFACE
IN FAIRLY GOOD CONDITION. HOWEVER, SUB-BASE IS WEAK AND
WILL NOT WITHSTAND PRESENT DAY AXLE LOADS FOR LONG.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MANILA 00776 02 OF 02 220847Z

14

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 IO-14 NEA-11 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10

SS-20 STR-08 CEA-02 L-03 H-03 PA-04 USIA-15 PRS-01

DRC-01 /180 W

----- 044907

P 220710Z JAN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 510

INFO AMEMBASSY JAKARTA PRIORITY

LIMITED OFFICIAL USE SECTION 2 OF 2 MANILA 0776

USADB

ALSO, BRIDGES ALONG ROAD ARE OVERAGED AND WERE NOT DESIGNED FOR PRESENT DAY LOADS.

6. IN VIEW OF DIFFERENT TRAFFIC DENSITIES ON VARIOUS SECTIONS OF PROJECT AND EXISTENCE OF RAILWAY LINE PARALLELING SUBSTANTIAL PART OF IT, PROPOSED STUDY TO BE CARRIED OUT IN TWO PHASES. PHASE 1 TO DETERMINE ON PRELIMINARY BASIS MOST ECONOMIC ALTERNATIVE ROAD DEVELOPMENT FOR FURTHER STUDY WITH CONSIDERATION BEING GIVEN TO RAILWAY LINE'S FUTURE ROLE. PHASE 2 TO CONSIST OF MORE DETAILED FIELD SURVEYS, PRELIMINARY ENGINEERING, REFINED COST ESTIMATES AND FINAL ECONOMIC ANALYSIS. COMPLETE FEASIBILITY STUDY EXPECTED TO TAKE EIGHT MONTHS.

4. PROPOSED STUDY ESTIMATED TO COST \$455,000. BANK PROPOSES TO FINANCE \$310,000 FOREX COMPONENT INITIALLY WITH TA GRANT. IF LOAN PROJECT IS FORMULATED AND RESULTS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 00776 02 OF 02 220847Z

IN BANK LOAN, AMOUNT OF TA EXCEEDING \$100,000 WILL BE INCORPORATED IN LOAN. LOCAL CURRENCY COST OF \$145,000 EQUIVALENT TO BE PROVIDED BY GOVT.

8. FOREIGN CONSULTANCY FIRM EXPERIENCED IN ROAD PLANNING AND ENGINEERING, SOIL INVESTIGATIONS AND TRANSPORT ECONOMICS TO BE RECURITED FOR TOTAL OF 41 MAN-MONTHS OF SERVICES. CONSULTING TEAM WILL INCLUDE SENIOR TRANSPORT ENGINEER AS PROJECT MANAGER, TRANSPORT ECONOMIST, TRAFFIC ENGINEER, TWO HIGHWAY ENGINEERS, SOIL ENGINEER, STRUCTURAL ENGINEER AND SENIOR PLANNING EXPERT. GOVT HAS REQUESTED THAT LOCAL EXPERTS AND STAFF BE ENGAGED BY FOREIGN CONSULTANT USING LOCAL CONSULTANT FIRMS IN VIEW OF STAFF CONSTRAINTS IN ROAD PLANNING SECTOR.

9. DIRECTORATE GENERAL OF HIGHWAYS (DGH) WITHIN MINISTRY OF PUBLIC WORKS AND POWER WILL BE GOVT AGENCY RESPONSIBLE FOR EXECUTION OF PROJECT. DIRECTORATE OF PLANNING AND SURVEY WITHIN DGH WILL HAVE DIRECT RESPONSIBILITY FOR EXECUTION OF PROPOSED TA. PROJECT MANAGER WILL BE ASSIGNED TO ASSIST CONSULTANTS.

10. PRELIMINARY REPORT TO BE SUBMITTED TO GOVT AND BANK AT END OF PHASE 1 STUDY. SUBJECT TO AGREEMENT BETWEEN GOVT AND BANK ON CONSULTANTS' RECOMMENDATIONS, PHASE 2 TO BE CARRIED OUT. IF STUDY INDICATES PROJECT FEASIBLE, GOVT INTENDS REQUEST BANK LOAN TO FINANCE DETAILED ENGINEERING AND IMPLEMENTATION.

11. SURABAYA-MALANG ROAD IS ONE OF MOST HEAVILY USED

ROADS IN INDONESIA AND SERVES REGION WITH CONSIDERABLE
AGRICULTURAL AND INDUSTRIAL POTENTIAL. IMPROVEMENT OF
ROAD CONSIDERED TO BE URGENTLY NEEDED. USADB
SUPPORTS PROPOSAL AND RECOMMENDS FAVORABLE NAC
ACTION.

12 REQUEST JAKARTA'S COMMENTS FOR NAC AGENCIES,
INFO USADB MANILA, PURSUANT TO STATE 119795 DTD
3 JULY 1972.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, TECHNICAL ASSISTANCE, HIGHWAYS, DEVELOPMENT LOANS, FOREIGN EXCHANGE HOLDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA00776
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740125/aaaaaxct.tel
Line Count: 232
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUL 2002 by kelleyw0>; APPROVED <04-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED ADB TECHNICAL ASSISTANCE TO INDONESIA FOR SURABAYA-MALANG ROAD DEVELOPMENT STUDY
TAGS: EAID, EFIN, ID, ADB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005